BUDGET SUMMARY

<table>
<thead>
<tr>
<th></th>
<th>FY2019 Actual</th>
<th>FY2020 Adopted</th>
<th>FY2020 Amended</th>
<th>FY2021 Pre-COVID</th>
<th>FY2021 Recomm</th>
<th>$ Chg</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENSE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guilford County Schools</td>
<td>280,770,648</td>
<td>284,941,911</td>
<td>285,734,082</td>
<td>285,699,220</td>
<td>280,278,093</td>
<td>(4,663,818)</td>
<td>(1.6%)</td>
</tr>
<tr>
<td>EXPENSE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>202,610,398</td>
<td>206,610,398</td>
<td>207,410,398</td>
<td>211,610,398</td>
<td>209,610,398</td>
<td>3,000,000</td>
<td>1.0%</td>
</tr>
<tr>
<td>Capital Maintenance</td>
<td>6,000,000</td>
<td>6,116,528</td>
<td>6,116,528</td>
<td>6,116,528</td>
<td>3,116,528</td>
<td>(3,000,000)</td>
<td>(49.0%)</td>
</tr>
<tr>
<td>Debt Repayment</td>
<td>72,160,250</td>
<td>72,214,985</td>
<td>72,207,156</td>
<td>67,972,294</td>
<td>67,551,167</td>
<td>(4,663,818)</td>
<td>(6.5%)</td>
</tr>
<tr>
<td>Total Expense</td>
<td>280,770,648</td>
<td>284,941,911</td>
<td>285,734,082</td>
<td>285,699,220</td>
<td>280,278,093</td>
<td>(4,663,818)</td>
<td>(1.6%)</td>
</tr>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal &amp; State Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lottery Funds</td>
<td>4,799,500</td>
<td>4,750,000</td>
<td>4,750,000</td>
<td>4,750,000</td>
<td>4,750,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>American Rec/ReinvestAct</td>
<td>1,847,332</td>
<td>1,840,154</td>
<td>1,840,154</td>
<td>1,840,154</td>
<td>1,840,154</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>6,646,832</td>
<td>6,590,154</td>
<td>6,590,154</td>
<td>6,590,154</td>
<td>6,590,154</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>County Funds</td>
<td>274,123,816</td>
<td>278,351,757</td>
<td>279,143,928</td>
<td>279,109,066</td>
<td>273,687,939</td>
<td>(4,663,818)</td>
<td>(1.7%)</td>
</tr>
</tbody>
</table>

DEPARTMENTAL PURPOSE

Although public education is primarily a responsibility of the state, all counties are required to fund a portion of the operating and capital expenses for local public school systems. Most counties, including Guilford County, provide funding above and beyond the legal mandates.

This additional funding is used to pay for local enhancements, such as extra teaching positions to reduce class sizes, teacher and staff salary supplements, and other programs and services in response to unique local needs. Please see the Guilford County Schools website at http://www.gcsnc.com/ for more details about the school system and its services.

The Superintendent must present a recommended budget to the Board of Education by May 1st of each year. The Board of Education must present its formal request budget to the county by May 15th of each year. The Superintendent’s Budget requested a total of $234.1 million from Guilford County -- $214,110,398 for operating expenses and $20,000,000 million for capital needs.

More detail about this request is available on the Guilford County Schools’ website at www.gcsnc.com.
The funding discussed above represents the County’s portion of the total budget for Guilford County Schools. GCS receives most of its operating funding from the State of North Carolina, with additional funding coming from federal and other local sources. The County does provide the majority of school capital funding.

<table>
<thead>
<tr>
<th></th>
<th>FY 2019-20</th>
<th>FY 2020-21</th>
<th>$ Chg</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Funds</strong></td>
<td>$206,610,398</td>
<td>$209,610,398</td>
<td>$3,000,000</td>
<td>1.45%</td>
</tr>
<tr>
<td><strong>Capital Maintenance &amp; Repair Funds</strong></td>
<td>$6,116,528</td>
<td>$3,116,528</td>
<td>$(3,000,000)</td>
<td>-49.05%</td>
</tr>
<tr>
<td><strong>Total County Funding</strong></td>
<td>$212,726,926</td>
<td>$212,726,926</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Student Population (GCS + Charter)</strong></td>
<td>80,886</td>
<td>80,270</td>
<td>(616)</td>
<td>-0.8%</td>
</tr>
<tr>
<td><strong>Per Pupil Operating Allocation</strong></td>
<td>$2,554</td>
<td>$2,611</td>
<td>$57</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

*NC DPI ADM Estimates for budget year.*
Mission

Guilford County students will graduate as responsible citizens prepared to succeed in higher education, or in the career of their choice.*

*This mission was adopted by the Guilford County Board of Education on December 12, 2000.

Vision

Transforming learning and life outcomes for all students.
Goal I: By 2022, the percentage of students who will read proficiently by the end of third grade will increase to 54%.

Goal II: 75 percent of incoming 6th grade students will pass NC Math I (Algebra I) with a C or better by the end of their 9th grade year in 2022.

Goal III: The percentage of graduating seniors who complete a rigorous career pathway will increase to 35 percent, by 2022.

Goal IV: Of the 25 lowest performing schools, increase the number that meet or exceed growth from 16 to 22.

Goal V: Decrease the achievement gap (3rd grade reading, 3rd grade math, English II, and Math I) between Black and Hispanic males and their White male counterparts by 2 percentage points by 2022.

Goal VI: By 2022, increase organizational efficiency and effectiveness to better support student learning.
Strategic Priorities

I. Reimagine Excellent Schools
II. Eradicate Gaps in Access, Preparation and Achievement
III. Improve Operational Efficiency
IV. Create Pathways to Prosperity
V. Invest in Our People
2020-21 Budget Recommendation
2020-2021
Academic Focus: Recovering Lost Learning Time

• Students are expected to retain only 70% of this year’s reading gains, compared with a typical school year, and less than 50% in math.

• Children from more affluent communities are more likely to have the resources and flexibility needed to weather this.

• Children from families who typically face inequities like low household employment, low wages, housing and food insecurity, family instability and the additional shocks from this disruption will experience greater learning loss that will likely have a lifetime impact.

(NWEA Brief)
2020-2021 Budget Priority: Recovering Lost Learning Time

“...the shortened school year is likely to reduce student learning, leaving students less prepared to advance to the next grade and will severely strain school planning, financing and student [assessment] capabilities.”

Institute for Public Policy and Social Research
Michigan State University
Extend the 2020-21 school year and/or lengthen school days so students can catch up on lost learning time.

Strong evidence from around the world suggests that high quality extended learning can generate significant learning gains for underserved populations.

*Center for Global Development*
Recovering Lost Learning
Time - Technology and Connectivity Challenges

• Students who do not have access to the Internet from home, or who depend on a cell phone for access, perform lower on a range of metrics, including digital skills, homework completion and grade point average.

• A deficit in digital skills compounds other inequities.

• Students who lack digital access and skills perform lower on standardized tests and show less interest in STEM careers.

*Michigan State University/Institute for Public Policy and Social Research*
Recovering Lost Learning Time - Diagnostic Assessments

• Educators will need data now more than ever to guide curriculum and instruction to support students.

• Accurate, valid, and reliable data can provide valuable diagnostic information in times of disruption and uncertainty.

• Diagnostic assessments will help educators know where to focus resources and how best to help students academically when schools reopen.

• Assessments should only be used to help educators provide targeted assistance to students, and not for accountability or grading purposes.

*NWEA brief*
Recovering Lost Learning Time – Individualized Academic Support

• Individualized instruction (e.g. tutors) can use diagnostic assessments to identify students who are underperforming and tailor approaches to specific contexts.

• Priority should be given to the most vulnerable in two age groups:
  o Children at primary level, where learning loss can most limit educational progress; and,
  o Teens transitioning from primary to secondary education, where the poorest are most at risk of dropping out.

Center for Global Development
Recovering Lost Learning Time - Challenges and Opportunities

- GCS has distributed more than 13,500 laptops and tablets to students and is expanding hotspots to more locations.

- Learning and working remotely – or some combination of both – represent our "new normal."

- Strengthening our remote learning and working capabilities represents an opportunity as well as a challenge.

- Districts and schools that increase capacity and navigate the new normal well will ensure greater student success and operational efficiencies moving forward.
Recovering Lost Learning
Time - Funding

- **2020-2021**
  - K-12 Emergency Relief Funds
  - $21 million

- **2019-2020**
  - COVID-19 Supplemental Funds
  - $2.4 million

- Redirection of existing resources
Coronavirus Aid, Relief and Economic Security Act (CARES Act)

MOE (Maintenance of Effort)

- State has to maintain support for elementary and secondary education at levels that are the average of the State’s support in the three fiscal years preceding the date of enactment.
  - A State may apply for a waiver of this requirement if there is a precipitous decline in financial resources.

NCDPI Division of School Business
Governor’s Recommendations to Address Immediate Needs

• Immediate Public Health & Safety = $313 million (includes $78 million for School Nutrition)

• Continuity of Operations for Education & State Gov’t Services = $740.4 million ( $243 million for K-12 Education)

• Small Business & Local Gov’t Assistance = $375 million
Governor’s Recommendations to Address Immediate Needs

- Suspend 6 Month State Retiree Waiting Period
- Public Schools - Flexibility in Instructional Hours and School Calendar
Funding Priorities for COVID-19

Approximately $380 million

- Child Nutrition programs & supplemental compensation for child nutrition and transportation
- Student support staff and resources for the physical and mental well-being of students
- Continues services for exceptional children
- Resources for digital and remote teaching and learning
- “Jump Start” summer bridge program
- Other funding priorities
Legislative Impact

- Legislated salary increase = $2,291,000
- Retirement rate = $1,466,000
- Health insurance = $654,000
- Growth in charter school enrollment = $1,319,000

$5.73 million
## 2020-21 Local Current Expense Fund

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative impact</td>
<td>$5.73 million</td>
</tr>
<tr>
<td>Bus driver pay increase for full year</td>
<td>$1.60 million</td>
</tr>
<tr>
<td>Sustaining operations (property/liability insurance)</td>
<td>$170,000</td>
</tr>
<tr>
<td>Request additional funding from Guilford County Board of Commissioners</td>
<td>$7.5 million</td>
</tr>
</tbody>
</table>
Capital Outlay Fund 2020-21

Deferred Maintenance
- HVAC Project(s) = $9,000,000
- Roofing Project(s) = $5,046,000
- System-wide Site = $909,000
- System-wide Roofing = $400,000
- System-wide Mechanical, Electrical & Plumbing = $2,500,000
- System-wide Finishes = $845,000
- System-wide Athletics = $500,000
- Safety and Security = $500,000

Furniture/Equipment/Vehicles
- Equipment & Vehicles = $200,000
- Band uniforms/Furniture = $100,000

$20,000,000
2020-21 State Public School Fund

Initial State Fund Budget = $447,890,181

- Used 2020-21 planning allotment formulas from NCDPI

- NCDPI allotted Average Daily Membership (ADM)
  - 2019-20 allotted ADM = 71,926
  - 2020-21 allotted ADM = 71,331 (-595)
2020-21 Local Current Expense Fund

2020-21 Recommended Local Fund = $220,038,052

Operating Request from County Commissioners = $214,110,398

$206,610,398 = 2019-20 county appropriation
+ 7,500,000 = increase requested for 2020-21 (3.63%)
$214,110,398 = 2020-21 county appropriation requested

Other Local Sources =
- Fines & forfeitures $3,000,000
- Fund balance appropriated $2,324,320
- Interest earned on investments $603,424
2020-21 Federal Grants Fund

Used 2019-20 Federal Planning Allotment plus allowable carryover = $70,570,810

• 2020-21 federal planning allotments from NCDPI have not yet been released.
2020-21 Operating Budget

Revenues/Sources
Where The Money Comes From

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>$447,890,181</td>
</tr>
<tr>
<td>Local (County)</td>
<td>220,038,051</td>
</tr>
<tr>
<td>Federal</td>
<td>70,570,811</td>
</tr>
<tr>
<td>Total</td>
<td>$738,499,043</td>
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</table>

- State: 60.6%
- Local: 29.8%
- Federal: 9.6%
2020-21 Operating Budget

Expenditures/Uses
Where the Money Goes

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>$614,474,688</td>
</tr>
<tr>
<td>Purchased Services</td>
<td>$63,149,812</td>
</tr>
<tr>
<td>Supplies &amp; Materials</td>
<td>$37,834,561</td>
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<tr>
<td>Equipment</td>
<td>$595,992</td>
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<tr>
<td>Transfers for Charter Schools</td>
<td>$22,443,990</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$738,499,043</strong></td>
</tr>
</tbody>
</table>

Financial Breakdown:
- **Salaries & Benefits**: 83.3%
- **Purchased Services**: 8.6%
- **Supplies & Materials**: 5.1%
- **Equipment**: 0.0%
- **Transfers for Charter Schools**: 3.0%
## 2020-21 Operating Budget

### Summary by Purpose/Function

<table>
<thead>
<tr>
<th>Purpose/Function</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools</td>
<td>$591,422,766</td>
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<tr>
<td>Transportation</td>
<td>$40,736,264</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$10,041,528</td>
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<tr>
<td>Utilities</td>
<td>$17,609,046</td>
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<tr>
<td>Transfers to Charter Schools</td>
<td>$22,318,990</td>
</tr>
<tr>
<td>Technology</td>
<td>$8,676,746</td>
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<tr>
<td>Support Services to Schools</td>
<td>$47,693,703</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$738,499,043</strong></td>
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![Pie chart showing the distribution of budget] (chart link)
## 2020-21 Budget Recommendation

<table>
<thead>
<tr>
<th>Funding Sources</th>
<th>2019-20 Budget Resolution</th>
<th>2020-21 Budget Recommendation</th>
</tr>
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<tbody>
<tr>
<td>State Fund</td>
<td>$432,234,395</td>
<td>$447,890,181</td>
</tr>
<tr>
<td>Local Fund (County)</td>
<td>$213,213,822</td>
<td>$220,038,051</td>
</tr>
<tr>
<td>Federal Fund</td>
<td>$62,745,849</td>
<td>$70,570,811</td>
</tr>
<tr>
<td>Capital Outlay Fund</td>
<td>$6,116,528</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Child Nutrition</td>
<td>$45,430,400</td>
<td>$45,669,900</td>
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<tr>
<td>ACES Fund</td>
<td>$7,518,824</td>
<td>$6,385,715</td>
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<tr>
<td>Special Revenue Fund</td>
<td>$12,870,231</td>
<td>$11,342,575</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$780,040,049</strong></td>
<td><strong>$821,897,233</strong></td>
</tr>
</tbody>
</table>
Budget Process - Next Steps

• BOE conducts budget work session(s) as needed and holds public hearing (scheduled for April 30, 2020 BOE meeting)
• BOE adopts 2020-21 budget request (scheduled for May 12, 2020)
• BOE submits 2020-21 budget request to BOCC (no later than May 15, 2020)
• County Manager presents budget recommendation to BOCC (tentatively May 21, 2020)
• BOCC has work session(s) to review budget
• BOCC holds public hearing (scheduled for June 4, 2020)
• BOCC adopts 2020-21 Budget Ordinance (scheduled for June 18, 2020)
• BOE approves 2020-21 Interim Budget Resolution if the state has not adopted a final budget for 2020-21 (June 25, 2020 BOE meeting)
• BOE approves final 2020-21 budget and 2020-21 Budget Resolution
Questions?